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EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D. C.

53-2708

JUL 9 1958

My dear Mr. Dulles:

We have just finished preliminary studies of the Budget outlook for fiscal year 1960. The President desires that the 1960 budget restrict new obligational authority and expenditures to a close workable minimum. Accordingly, the budget estimates for your agency should be prepared in accordance with the following guidelines:

1. The budget submission for 1960 is to be built from a base composed of the enacted 1959 program less the cost of non-recurring items and all possible reductions and savings. Previous proposals to apply user charges and to reduce spending for certain programs will be renewed and, if possible, extended.
2. Increases will be considered for (a) uncontrollable workload factors, (b) legislative proposals which were previously approved by the administration and which are still considered essential, and (c) program increases and new legislative proposals which, in your judgment, are so essential to meet immediate and critical national needs that they should be considered by the President.
3. Any augmentations made to the 1959 Budget, including congressional increases, should be carefully analyzed, and those which can be considered advances against the 1960 program should be so applied.
4. Proposed legislation involving new programs and added funds or costs should be deferred wherever possible, and the already approved legislative program should be reappraised from this viewpoint.

Your budget submission must be complete, both with respect to the program itself and its financing. There should be no assumption that additional recommendations will be considered later.

Your decisions on budget requests should be made in sufficient time to permit submission of your budget on the schedule we shall have established with your budget officer, and in any event no later than September 30, 1958.

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The President desires that the head of each agency give personal attention to preparing the budget along these lines. He wants the agencies and the Bureau of the Budget to work together during the period of budget formulation in order to facilitate his making final decisions in the light of conditions as they exist shortly before the budget is transmitted.

Sincerely yours,

Director

Honorable Allen W. Dulles
Director of Central Intelligence
Central Intelligence Agency
Washington 25, D. C.